



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**RQ-2**

**Ethan Strimling, Treasurer**  
**Democrats 2000**  
**1311 L Street, NW, Suite 300**  
**Washington, DC 20005**

**MAR 26 1997**

**Identification Number: C00230342**

**Reference: October Quarterly Report (7/1/96-9/30/96)**

**Dear Mr. Strimling:**

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The beginning cash balance of this report should equal the ending balance of your Amended July Quarterly Report (4/1/96-6/30/96) received 1/27/97. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-The totals listed on Lines 6(c) and 7, Column B of the Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your calculations for Line 6(d), Column A appear to be incorrect. FEC calculations disclose this amount(s) to be \$332,649.55. Please provide the corrected total(s) on the Summary Page.

-Your calculations for Line 8, Column A appear to be incorrect. FEC calculations disclose this amount(s) to be \$46,706.09. Please provide the corrected total(s) on the Summary Page.

-The totals listed on Lines 11(a)(i), 11(a)(ii), 18, 21(a)(i), 21(a)(ii), 21(b), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your

previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-Your calculations for Line 11(a)(iii), Column B appear to be incorrect. FEC calculations disclose this amount(s) to be \$421,572.36. Please provide the corrected total(s) on the Detailed Summary Page.

-Please provide the totals for Lines 15 and 17, Column B of the Detailed Summary Page. Note that changes in your figures may affect your Column B totals on this report and/or on subsequent reports.

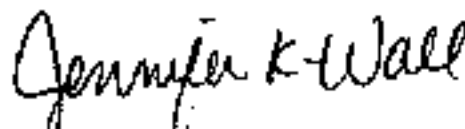
-Schedule H3 discloses receipt of \$34,616.98 from your non-federal account for a repayment of a non-federal loan. A committee is permitted to pay the entire amount of an allocable activity from its federal account and receive a transfer(s) from its non-federal account solely to cover the non-federal share of the allocable expense(s). 11 CFR §106.5(g)(i). However, a 100% non-federal loan does not fall within the definitions of an allocable expense, and constitutes an impermissible transfer of funds received by your federal account from your non-federal account.

The Commission recommends you immediately transfer the total amount received by your federal account back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

-Please note that 100% federal activity does not qualify as an allocable expense and should be itemized on a Schedule B supporting Line 21(b).

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Jennifer K. Wall  
Reports Analyst  
Reports Analysis Division

